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Congressional Committees

Subject: *Human Capital: Further Actions Needed to Enhance DOD's Civilian Strategic Workforce Plan*

Effective human capital planning can enable the Department of Defense (DOD) to have the right people, with the right skills, doing the right jobs, in the right places, at the right time by making flexible use of its internal workforce and appropriately using contractors. According to the department, as of March 2010, DOD's total civilian workforce included about 718,000 full-time civilians,¹ including more than 2,900 civilians in the senior management, functional, and technical personnel workforce (hereafter referred to as senior leader workforce).² Further, DOD reported that, as of the end of September 2009, there were more than 118,000 civilians in DOD's acquisition workforce.³ DOD has acknowledged, however, that with approximately 30 percent of its workforce eligible to retire by March 31, 2015, and the need to reduce its reliance on contractors to augment the current workforce, it faces a number of significant challenges. For example, in its 2010 Quadrennial Defense Review (QDR),⁴ DOD stressed the need for leadership in human capital management, to improve its capabilities for contributing to civilian-led activities and operations supporting "unity of effort" in homeland

¹ Department of Defense, *Civilian Personnel Management Services March 31, 2010 Demographics* (Washington, D.C., March 2010).

² For example, section 1102 of the National Defense Authorization Act for Fiscal Year 2007 mandated that DOD's update to its human capital strategic plan cover senior management, functional, and technical personnel (including scientists and engineers) which includes the following categories of DOD civilian personnel: (1) appointees in the Senior Executive Service under section 3131 of title 5, United States Code; (2) persons serving in positions described in section 5376(a) of title 5, United States Code; (3) highly qualified experts appointed pursuant to section 9903 of title 5, United States Code; (4) scientists and engineers appointed pursuant to section 342(b) of the National Defense Authorization Act for Fiscal Year 1995 (Pub. L. No. 103-337 (1994)), as amended by section 1114 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Pub. L. No. 106-398 (2000)); (5) scientists and engineers appointed pursuant to section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (5 U.S.C. § 3104 note); (6) persons serving in the Defense Intelligence Senior Executive Service under section 1606 of title 10, United States Code; (7) persons serving in Intelligence Senior Level positions under section 1607 of title 10, United States Code. For the purposes of this report, senior management, functional, and technical personnel will be referred to as the senior leader workforce.

³ DOD defines its defense acquisition workforce as those personnel who work within 13 designated acquisition career fields, based on the Defense Acquisition Workforce Improvement Act (DAWIA). Pub. L. No. 101-510 § 1202(a) (1990) (codified, as amended, at 10 U.S.C. § 1721(a), (b)). These 13 career fields are (1) contracting; (2) systems, planning, research, development, and engineering—program and systems engineering career paths; (3) systems, planning, research, development, and engineering (science and technology career path); (4) program management; (5) life cycle logistics; (6) business (cost estimating and financial management career paths); (7) production, quality and manufacturing; (8) audit; (9) information technology; (10) facilities engineering; (11) test and evaluation; (12) industrial property management, contract property management, or both; and (13) purchasing.

⁴ Department of Defense, *Quadrennial Defense Review Report* (February 2010).

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security, and an appropriately sized cadre of acquisition personnel who have the skills and training necessary to successfully perform their jobs. In that regard, the 2010 QDR stressed the importance of involving senior leadership in human capital management and also stated that DOD must (1) align its resources to establish a balanced total workforce, (2) possess an up-to-date human capital strategy, and (3) continue developing programs to recruit, shape, and sustain the force it needs. DOD's 2009 strategic workforce plan states that in April 2009, the Secretary of Defense announced his intention to rebalance and rightsize the acquisition workforce by adding 20,000 personnel by fiscal year 2015—including 10,000 new hires and an additional 10,000 employees as a result of in-sourcing work that had been previously performed by contractors. Most recently, in August 2010, the Secretary of Defense announced initiatives to reduce duplication, overhead, and excess and instill a culture of savings and restraint across DOD that could affect DOD's civilian workforce planning efforts. These initiatives included reducing the funding available for service support contractors, freezing the number of DOD civilian senior executives and flag officers at the fiscal year 2010 level, and at a minimum, reducing the number of Senior Executive Service members by 150 over the next 2 years. See enclosure I for more information about DOD's strategic planning roles and workforce planning tools.

Strategic workforce planning—an integral part of human capital management—helps organizations to determine if they have staff with the necessary skills and competencies to accomplish their strategic goals. Since 2001, we have listed federal human capital management as a governmentwide high-risk area, and in 2009, we stated that ample opportunities remained for improving strategic human capital management to respond to 21st century challenges.⁵ Additionally, within DOD, workforce-related issues have contributed to challenges in several of DOD's high-risk areas, including contract management.

Over the years, Congress has passed legislation requiring DOD to conduct human capital planning efforts for the department's overall civilian workforce, its senior leader workforce, and its acquisition workforce. See enclosure II for a discussion of prior legislation. In addition, Congress has required us to review DOD's efforts in these areas. Our work has found that in general, DOD's efforts to address mandated reporting requirements have been mixed.⁶ Consequently, in our February 2009 report,⁷ we recommended that DOD develop performance plans for its newly established program offices whose responsibilities are to oversee development of the overall civilian strategic human capital plan and the senior leader workforce plan in response to legislative requirements.⁸ Specifically, we recommended that the performance plans include establishing implementation goals and time frames, measuring performance, and aligning activities with resources to guide its efforts to implement its strategic workforce plan. DOD partially concurred with our recommendations, noting that the newly established offices were only a couple of months old. DOD noted in commenting on our 2009 report that efforts were underway to develop performance plans for the respective offices. Most recently, in October 2009, section 1108 of the National Defense Authorization Act for Fiscal Year 2010 (FY 2010 NDAA) required DOD to develop and submit

⁵ GAO, *High-Risk Series: An Update*, GAO-09-271 (Washington, D.C.: January 2009).

⁶ GAO, *Human Capital: Opportunities Exist to Build on Recent Progress to Strengthen DOD's Civilian Human Capital Strategic Plan*, GAO-09-235 (Washington, D.C.: Feb. 10, 2009); and *The Department of Defense's Civilian Human Capital Strategic Plan Does Not Meet Most Statutory Requirements*, GAO-08-439R (Washington, D.C.: Feb. 6, 2008).

⁷ GAO-09-235.

⁸ In November 2008, DOD established the program management office to develop and monitor overall civilian workforce trends, competency assessments, and gap analyses associated with its strategic workforce planning efforts. Similarly, in October 2008, DOD established the executive management office to oversee DOD's efforts concerning talent management, succession planning, and other issues associated with the strategic workforce planning for the senior leader workforce.

a strategic plan to shape and improve the department's civilian workforce, and to include separate chapters for the senior leader workforce and the defense acquisition workforce.⁹ The FY 2010 NDAA stipulated that the plan address a series of requirements concerning the overall civilian workforce, the senior leader workforce, and the acquisition workforce. For example, this workforce plan was to include, for each of the workforces, an assessment of (1) the critical competencies needed by the future DOD workforce for the 7-year period following the submission of the report, (2) the critical competencies of the existing civilian workforce and projected trends in that workforce based on expected losses due to retirement and other attrition, and (3) gaps in DOD's existing or projected civilian workforce that should be addressed to ensure that DOD has continued access to critical skills and competencies.¹⁰ In addition, DOD was to submit a plan of action for developing and reshaping the civilian workforce to address specific recruiting and retention goals and strategies on how to train, compensate, and motivate civilian employees and identify the funding needed to achieve these goals and strategies. See enclosure III for a summary of the FY 2010 NDAA requirements and how they apply to the overall, senior leader, and acquisition workforces.

The act required us to review and report on DOD's workforce plans for 2009 through 2012 no later than 180 days after DOD's submissions. On March 31, 2010, DOD submitted its 2009 update to the human capital strategic plan, which was intended to address the requirements of the National Defense Authorization Act for Fiscal Year 2006 (FY 2006 NDAA).¹¹ According to DOD officials, the department requested a delay in submitting its March 2009 update, as required by the FY 2006 NDAA, to incorporate changes that would be needed to address recommendations in our February 2009 report.¹² During this delay, the FY 2010 NDAA, which incorporated most of the FY 2006 NDAA requirements and contained additional legislative requirements, was enacted. By the time that DOD submitted its 2009 plan, the FY 2010 NDAA requirements were in effect. DOD officials told us that the 2009 strategic workforce plan, submitted to Congress in March 2010, was not intended to address the additional requirements enacted as part of the FY 2010 NDAA. Our objectives were to determine the extent to which DOD's strategic workforce plan addresses the FY 2010 NDAA requirements applicable to (1) the overall civilian workforce, (2) the senior leader workforce, and (3) the acquisition workforce. In our analysis and reporting, we identify the new requirements contained in the FY 2010 NDAA.

To examine the extent to which DOD's 2009 strategic workforce plan addresses the human capital planning requirements for each of the three workforces—overall civilian workforce, senior leader workforce, and acquisition workforce—we analyzed the plan and compared it with the requirements in section 1108(a) of the FY 2010 NDAA for DOD to submit a strategic workforce plan. Specifically, we analyzed DOD's 2009 Civilian Human Capital Strategic

⁹ Pub. L. No. 111-84 § 1108(a) (2009). This act incorporated reporting requirements from the fiscal year 2006, fiscal year 2007, and fiscal year 2008 National Defense Authorization Acts, established some new requirements, and repealed the previous legislation.

¹⁰ Our body of work has consistently defined a workforce gap analysis as referring to gaps in critical skills and competencies. See GAO-09-235; *DOD Civilian Personnel: Comprehensive Strategic Workforce Plans Needed*, GAO-04-753 (Washington, D.C.: June 30, 2004); *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, GAO-03-893G (Washington, D.C.: July 2003); and *A Model of Strategic Human Capital Management*, GAO-02-373SP (Washington, D.C.: Mar. 15, 2002).

¹¹ Department of Defense, *Report on the Strategic Human Capital Plan for Civilian Employees of the Department of Defense 2006-2010* (Washington, D.C., March 2010). DOD subsequently submitted its report on the acquisition workforce, Department of Defense, *The Defense Acquisition Workforce Improvement Strategy*, (Washington, D.C., April 27, 2010). The plan is referred to as an appendix to the overall human capital plan. Additionally, the FY 2006 NDAA required DOD's 2009 update to the Civilian Human Capital Strategic Workforce Plan to be submitted on March 1, 2009.

¹² GAO-09-235.

Workforce Plan, key sections of DOD's Acquisition Workforce Improvement Strategy,¹³ and other relevant information, including a supplemental draft report on funding of the acquisition workforce and DOD's *Civilian Human Capital Management Report for Fiscal Year 2009* that was submitted to the Office of Personnel Management. We considered a requirement to be "addressed" if DOD demonstrated, through evidence, that it discussed all aspects of the legislative requirement in its workforce plan. In several instances, "any" was a key word in the legislative requirement, and we considered those addressed if DOD discussed one or more actions that demonstrated the requirement. Additionally, we considered the requirement to be "partially addressed" if DOD provided evidence that it discussed some aspects of the legislative requirement, and "not addressed" if DOD did not discuss aspects of the requirements in the workforce plan. Furthermore, we took steps to ensure that the data upon which DOD based its workforce assessments and gap analyses were sufficiently reliable for the purposes of our review.¹⁴ In addition, we interviewed relevant officials in the Office of the Under Secretary of Defense for Personnel and Readiness' Office of Civilian Personnel Policy and the Civilian Personnel Management Service and the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics. We also interviewed officials from the Office of the Secretary of Defense's functional communities¹⁵—which include human resources, intelligence, and financial management—the Defense Acquisition University, and Defense Procurement and Acquisition Policy, as well as senior staff in acquisition career functional communities for contracting and production, quality, and manufacturing. Finally, we reviewed prior GAO reports assessing DOD's human capital strategic planning efforts.

We conducted this performance audit from December 2009 to September 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. For more information about our scope and methodology, see enclosure IV.

¹³ The Acquisition Workforce Improvement Strategy plan provided summary information on DOD's acquisition human capital management efforts, as well as information by military department, selected defense agencies, and 8 of the 13 functional career fields that constitute 90 percent of the defense acquisition workforce. We assessed key sections of the plan, which covered defense acquisition workforce strategies, analytics, and initiatives, and appendixes that covered the contracting and production quality and manufacturing career fields; the Army, Navy, Air Force, and Defense Contract Management Agency workforces; and acquisition career paths, critical acquisition functions, and defense acquisition workforce awards. We reviewed the appendixes related to the other career fields included in the strategy—such as business (cost estimating and financial management), information technology, and life cycle logistics—but did not assess them for the purposes of this report.

¹⁴ Specifically, we relied on previous data reliability assessments from GAO-04-753 and *DOD Personnel: Documentation of the Army's Civilian Workforce-Planning Model Needed to Enhance Credibility*, GAO-03-1046 (Washington, D.C.: Aug. 22, 2003). We also conducted interviews with responsible agency officials concerning the completeness and reliability of data presented in the strategic workforce plan.

¹⁵ Functional community managers are appointed by their respective under secretaries and are responsible for monitoring the strategic human capital planning efforts for their respective communities, including workforce forecasting, competency assessment, and strategy development.

Summary

DOD's 2009 overall civilian workforce plan addresses 5 and partially addresses 9 of the 14 legislative requirements.¹⁶ For example, DOD's plan addresses the requirement to assess critical skills. Specifically, DOD's plan discusses 22 mission-critical occupations (MCO),¹⁷ which according to DOD represent the results of the department's assessment of critical skills in its 2009 plan.¹⁸ Accordingly, we treated MCOs as the department's critical skills and evaluated critical competencies separately. Furthermore, DOD's plan partially addresses requirements such as (1) assessing competency gaps; (2) identifying specific strategies for developing and training its civilian employee workforce, along with needed funding; and (3) assessing the department's progress in implementing the workforce plan with results-oriented performance measures. For example, because the plan discusses competency gap analyses for only 3 of the 22 MCOs—language, logistics management, and information technology management—and does not discuss competency gaps for the other 19 MCOs this requirement is partially addressed. Additionally, the plan discusses the requirement for identifying strategies for developing and training its workforce, but only partially addresses this requirement because the plan does not identify the needed funding—a new requirement in the FY 2010 NDAA. Finally, regarding partially addressing the results-oriented performance measures requirement—also a new requirement in the FY 2010 NDAA—we found that the plan does not report progress on specific goals using results-oriented performance metrics; however, other DOD documents provide some information on performance measures related to the workforce plan. For example, DOD's *Civilian Human Capital Management Report for Fiscal Year 2009* provides a metric for measuring progress toward DOD's goal of having a mission-ready workforce. Specifically, it states that the success indicator for measuring annual progress toward a mission-ready workforce will be achieved when 85 percent of the staffing projections are met within certain targeted MCOs. DOD's plan also states that it will set performance measures in 2010 and monitor progress by the fourth quarter of fiscal year 2010. However, at the time of our review, DOD had not provided information concerning any additional performance measures. Table 2 in enclosure V provides a complete description of the legislative reporting requirements for the overall civilian workforce plan and our assessment.

DOD's 2009 senior leader workforce plan addresses 7, partially addresses 6, and does not address 2 of the 15 legislative requirements.¹⁹ For example, the plan addresses the requirement to identify any incentives needed to attract and retain qualified senior leaders—including offering benefits to senior leaders that are comparable to the benefits provided to general officers. Additionally, DOD's workforce plan addresses the requirement to identify steps that the department has taken or plans to take to ensure that DOD manages its civilian personnel as required by 10 U.S.C. § 129—essentially that the department manages the workforce based on workload requirements and available funding. Specifically, the plan reiterates DOD's commitment—as stated in DOD's 2008 workforce plan—to develop guidance concerning compliance with 10 U.S.C. § 129. Furthermore, DOD's plan partially addresses the legislative requirements that include (1) an assessment of gaps in the existing or future workforce and (2) identifying specific strategies for, among other things, developing

¹⁶ We reviewed the FY 2010 NDAA and identified 14 elements within the legislation applicable to the civilian workforce which were used to conduct our assessment of DOD's strategic workforce plan.

¹⁷ DOD has identified 24 enterprise-wide mission-critical occupations; 22 of these occupations are associated specifically with the overall civilian workforce and are discussed in the strategic workforce plan, while, the remaining 2 are acquisition-related occupations—contracting and quality assurance—and are discussed in the *Defense Acquisition Workforce Improvement Strategy* (published as a separate report).

¹⁸ According to our 2009 report, DOD officials stated that enterprise-wide mission-critical occupations are used in DOD's updated strategic plan to refer to both critical skills and competencies. GAO-09-235.

¹⁹ We reviewed the FY 2010 NDAA and identified 15 elements within the legislation applicable to the senior leader workforce which were used to conduct our assessment of DOD's senior leader workforce plan.

and training its senior leader workforce and identifying needed funding. Regarding the gaps, at the time of our review, DOD was in the initial stages of assessing competency gaps by conducting surveys of its senior leader workforce, but it had not completed the analysis needed to identify any gaps. In addition, the plan identifies specific strategies for developing and training DOD's senior leader workforce; however, it only partially addresses this requirement because the plan does not identify the funding needed to implement these strategies—a new requirement in the FY 2010 NDAA. Further, the workforce plan does not address the requirements to assess critical skills of the existing and future workforces. Specifically, while DOD's senior leader plan mentions the need for skills in areas such as leadership and management for its Senior Executive Service members, it does not provide details regarding these skills and does not identify such skills related to senior leader or scientific and professional positions. Table 3 in enclosure V provides a complete description of the legislative reporting requirements for the senior leader workforce plan and our assessment.

DOD's acquisition workforce plan addresses 5, partially addresses 10, and does not address 1 of the 16 legislative requirements.²⁰ The plan addresses the legislative requirement to identify changes in the number of authorized personnel to address gaps and meet the needs of the department. Specifically, the plan states that DOD will grow by approximately 20,000 new personnel through fiscal year 2015. Among the elements partially addressed were (1) the current mix of civilian, military, and contractor personnel; (2) a complete assessment of the critical skills of DOD's acquisition workforce; (3) a complete assessment of the critical competencies of DOD's acquisition workforce; and (4) the funds needed to support improvements to the acquisition workforce. For example, the plan did not identify what the appropriate mix of its total acquisition workforce should be, though it stated that guidance is in place for determining the appropriate workforce mix, DOD is inventorying its use of contractors, and in-sourcing is being incorporated as a key component of DOD's growth strategy. Similarly, DOD's plan partially addresses the legislative requirements to assess the critical skills and competencies of its acquisition workforce. A DOD official responsible for the acquisition workforce plan indicated that they did not differentiate skills and competencies, but rather consider skills to be an integral part of the competencies. As such, conducting competency assessments would embody an assessment of the requisite skills. In that regard, however, DOD has completed the competency assessment of its contracting career field, but not the assessments of the remaining 12 career fields, which are in various stages of progress. DOD's plan provides information on personnel certification levels—an indicator of the level of required education, training, and experience for a particular position—across all 13 of the functional career fields. While the plan did not include information on the funding needed to achieve DOD's human capital initiatives for the acquisition workforce, DOD subsequently issued a separate report on September 14, 2010. As the report was issued after the completion of our audit work, we did not have the opportunity to review and assess it. Finally, the plan did not address the requirement to identify any legislative changes that would be needed to allow the department to achieve its goals to improve the acquisition workforce. Table 4 in enclosure V provides a complete description of the reporting requirements for the acquisition workforce plan and our assessment.

While DOD has demonstrated some progress in addressing the legislative requirements related to its Civilian Human Capital Strategic Workforce plan, several key elements continue to be missing from the process. As we have previously reported, competency gap analyses and monitoring progress are two of the key elements in the strategic workforce planning

²⁰ We reviewed the FY 2010 NDAA and identified 16 elements within the legislation applicable to the acquisition workforce which were used to conduct our assessment of DOD's acquisition workforce plan.

process.²¹ Competency gap analyses enable an agency to develop specific strategies to address workforce needs and measuring progress demonstrates the contribution of workforce planning in achieving program goals. In addition, we have also reported that aligning resources with actions such as strategies for developing and training personnel is critical for implementing the strategic workforce plan and, together with the competency gap analyses, can help justify budget and staff requests by linking the program goals and strategies with the budgetary and staff resources needed to accomplish them. Moreover, we found that DOD had not fully developed a performance plan, as we had recommended in our 2009 report,²² for the responsible program offices to help guide and gauge how the department is achieving its objective for workforce planning. For example, DOD officials told us that the overall strategic workforce plan encompassed the program management office's and executive management office's performance plans. However, the program management office's and executive management office's performance plans did not include time frames and needed resources for all actions and did not identify how DOD would address the legislative requirements related to civilian human capital strategic planning. We have previously reported that performance plans are a key element of a sound management approach.²³ We continue to believe that it is imperative that DOD have a performance plan to guide how it plans to address all of the legislative requirements. We provided a draft of this report to DOD for its comments. DOD did not provide written or oral comments.

Concluding Observations

Having strategic workforce plans are critical for DOD to manage its large diverse workforce and to meet the demands of the future. To date, DOD's workforce plans have produced mixed results. DOD's 2009 workforce plan has demonstrated that some progress has been made by specifically addressing more than one-third of the legislative requirements. Most of the remaining requirements, however, were partially addressed—including key requirements such as conducting competency gap analyses, identifying the funding needed to implement strategies to develop and train civilian personnel, and assessing progress, using results-oriented performance measures. Without addressing all legislative requirements from the FY 2010 NDAA, congressional and DOD decision makers will continue to rely on incomplete information concerning the size, composition, and needs of its civilian workforce. In particular, DOD may not be able to determine whether its investment in strategies to improve the civilian workforce is effective and efficient. Further, this type of information will likely grow in importance as DOD implements its recently announced initiative to reduce duplication, overhead, and excess and instill a culture of savings and restraint across the department. We believe our prior recommendations for developing performance plans to help DOD fully address the legislative requirements for its strategic workforce plans could still serve as a roadmap to guide its workforce planning and thus still have merit.

²¹ GAO-04-753.

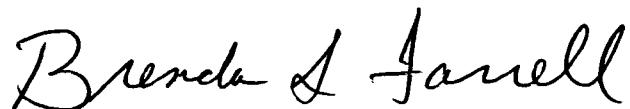
²² GAO-09-235.

²³ GAO-09-235; *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformation*, GAO-03-669 (Washington, D.C.: July 2, 2003); and *Executive Guide: Effectively Implementing the Government Performance and Results Act*, GAO/GGD-96-118 (Washington, D.C.: June 1996).

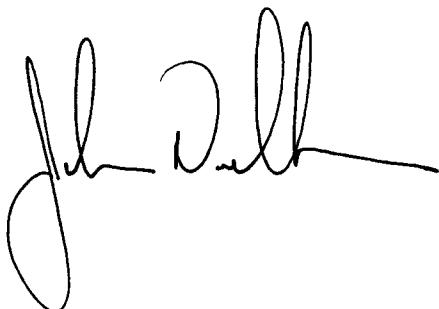
Agency Comments and Our Evaluation

We provided a draft of this report to DOD for its comments. DOD did not provide written or oral comments. However, DOD provided technical changes to the acquisition workforce section, which have been incorporated in this report as appropriate.

If you or your staff have any question about this report, please contact either Brenda S. Farrell at (202) 512-3604 or farrellb@gao.gov or John K. Needham at (202) 512-5274 or needhamjk1@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix VI.



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Enclosure I

DOD's Strategic Planning Roles and Workforce Planning Tools

Several organizations within the Office of the Secretary of Defense (OSD) share policy and guidance responsibility for the Department of Defense's (DOD) civilian workforce. Specifically, the Under Secretary of Defense for Personnel and Readiness serves as the Chief Human Capital Officer for DOD—both for military and civilian personnel—and has overall responsibility for its civilian human capital strategic plan. Within the Office of Personnel and Readiness, the Office of Civilian Personnel Policy has the lead role in developing and overseeing implementation of the plan for the overall civilian and senior leader workforces. The Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L), on the other hand, is responsible for the effective management (including accession, education, training, and career development) of persons serving in acquisition positions and for ensuring that acquisition workforce policies and procedures are uniform in their implementation to the maximum extent practicable.

DOD has identified 24 mission-critical occupations (MCO); 22 of these critical occupations are associated specifically with the overall civilian workforce and are discussed in DOD's March 2010 civilian human capital strategic plan. The remaining 2 MCOs are acquisition-related occupations—contracting and quality assurance—and are discussed in DOD's acquisition workforce plan. See table 1 for details on the 24 MCOs. The acquisition workforce plan discusses functional career fields, which are based on categories of acquisition position responsibilities and whose incumbents represent a variety of occupation series. For example, the contracting career field consists of 74 occupations, including contracting specialists, civil engineers, and business and industry specialists. Overall, DOD has identified 13 acquisition functional career fields as constituting the acquisition workforce, consistent with the authority provided under the Defense Acquisition Workforce Improvement Act (DAWIA).²⁴ DAWIA requires the Secretary of Defense to establish the minimum qualification standards of those personnel performing functions integral to the acquisition process, formalizes career paths for personnel who wish to pursue careers in acquisition, and defines critical or senior management acquisition positions.

²⁴ Pub. L. No. 101-510 § 1202(a) (1990) (codified, as amended, at 10 U.S.C. § 1721(a), (b))(2010).

Table 1: DOD's Enterprisewide Mission-Critical Occupations

OSD-designated functional communities	Mission-critical occupation (series)	MCO description	DOD strategic factors
Acquisition	1102	Contracting	Increased engagements; dynamic and rapidly changing threat environment; executing insourcing goals and optimizing workforce mix
	1910	Quality assurance	
Construction engineering	0810	Civil engineering	Increased engagements
Financial management	0501	Financial administration	Increased engagements; dynamic and rapidly changing threat environment; sustaining the all-volunteer force
	0510	Accounting	
	0511	Auditing	
	0560	Budget analysis	
Human resources	0201	Human resources	All
Information technology management	0854	Computer engineering	Dynamic and rapidly changing threat environment; executing insourcing goals and optimizing workforce mix
	0855	Electronics engineering	
	2210	Information technology management	
	1550	Computer science	
Installation and environment	0018	Safety and occupational health	Sustaining the all-volunteer force; increased engagements
	0081	Firefighter	
Intelligence	0132	Intelligence	Dynamic and rapidly changing threat environment
Linguists/language	0083	Language specialist	Increased engagements
Law enforcement	1040	Police	Increased engagements
Logistics management	0346	Logistics management	Sustaining the all-volunteer force; dynamic and rapidly changing threat environment; increased engagements
Medical	0602	Medical officer	Care for wounded warriors
	0610	Nurse	
	0660	Pharmacist	
	0180	Psychology	
Security	0185	Social work	Sustaining the all-volunteer force
	0080	Security administration	
Civilian expeditionary workforce (CEW)	All	CEW occupations	Sustaining the all-volunteer force

Source: GAO analysis of DOD data

DOD's overall civilian and senior leader workforce plans use the Office of Personnel Management's (OPM) workforce forecasting software, Workforce Analysis Support System (WASS) and Civilian Forecasting System (CIVFORS). WASS is used to evaluate workforce trends and can perform simple to complex analyses from counts and averages to trend analyses, using such characteristics as employee age, retirement plan participation, and historical retirement data. CIVFORS was adapted from an Army military forecasting model for civilian use in 1987 and uses data from DOD's Defense Civilian Personnel Data System (DCPDS). CIVFORS is a life cycle modeling and projection tool, which models most significant events, including personnel actions such as promotions, reassignments, and retirements. Officials can use a default projection model or create their own, which can be tailored to examine issues such as projected vacancies of hard-to-fill occupations or turnover in specific regions by occupation. The workforce forecasts are generated over a 7-year projection period, using the most recent 5 years of historical data. While CIVFORS is used at the DOD enterprisewide level, the department has not directed the components to use the system. As a result, components may use various systems and approaches for their forecasts.

Acquisition workforce management data is collected and stored in the AT&L Workforce Data Mart. Data Mart is a centralized data warehouse that serves as a single repository for all acquisition workforce data collected from the Military Personnel Data System, DCPDS, and other external sources. According to DOD officials, DOD uses Data Mart for career and workforce management of both civilian and military acquisition personnel, and it is used to generate data supporting workforce counts, human capital strategic plans, course demand management, and the monitoring of certification rates. DOD conducted workforce forecasting based on the DOD acquisition workforce growth initiative and recent trend information. Forecasting of gain and loss levels to achieve targeted growth was supported by RAND and an internal workforce forecasting tool.

Enclosure II

Prior Legislative Requirements for DOD's Civilian Workforce Plan

In January 2006, section 1122 of the National Defense Authorization Act for Fiscal Year 2006 was enacted. It directed DOD to develop and submit to the Senate and House Armed Services Committees a strategic plan to shape and improve the DOD civilian employee workforce. The plan was to include an assessment of

- the critical skills that will be needed in the future DOD civilian employee workforce to support national security requirements and effectively manage the department over the next decade,
- the critical competencies that will be needed in the future DOD civilian employee workforce to support national security requirements and effectively manage the department over the next decade,
- the critical skills of the existing DOD civilian employee workforce,
- the critical competencies of the existing DOD civilian employee workforce,
- the projected trends in that workforce based on expected losses caused by retirement and other attrition, and
- gaps in the existing or projected DOD civilian employee workforce that should be addressed to ensure that the department has continued access to the critical skills and competencies needed to support national security requirements and effectively manage the department over the next decade.

Also, as part of its civilian human capital strategic plan, the act directed DOD to include a plan of action for developing and reshaping the DOD civilian employee workforce to address identified gaps in critical skills and competencies, including specific

- recruiting and retention goals, including the program objectives of the department to be achieved through such goals, and
- strategies for developing, training, deploying, compensating, and motivating the DOD civilian employee workforce and the program objectives to be achieved through such strategies.

In October 2006, the National Defense Authorization Act for Fiscal Year 2007 was enacted. Section 1102 of this act required DOD to include in its March 1, 2007, update a strategic plan to shape and improve its senior leader workforce. The plan was to include an assessment of

- the needs of DOD for senior leaders in light of recent trends and projected changes in the mission and organization of the department and in light of staff support needed to accomplish that mission,
- the capability of the existing civilian employee workforce to meet requirements relating to the mission of the department, and
- gaps in the existing or projected civilian employee workforce of the department that should be addressed to ensure continued access to the senior leader workforce DOD needs.

Also, as part of its civilian human capital strategic plan, the act directed DOD to include a plan of action for developing and reshaping the senior leader workforce to address gaps in the existing or projected civilian employee workforce of the department that should be addressed to ensure that the department has continued access to the senior executives it needs. The plan of action is to include

- any legislative or administrative action that may be needed to adjust the requirements applicable to any category of civilian personnel identified in the senior leader workforce or to establish a new category of senior management or technical personnel;
- any changes in the number of personnel authorized in any category of personnel identified in the senior leader workforce that may be needed to address such gaps and effectively meet the needs of the department;
- any changes in the rates or methods of pay for any category of personnel identified in the senior leader workforce that may be needed to address inequities and ensure that the department has full access to appropriately qualified personnel to address such gaps and meet the needs of the department;
- specific recruiting and retention goals, including the program objectives of the department to be achieved through such goals;
- specific strategies for developing, training, deploying, compensating, motivating, and designing career paths and career opportunities for the senior leader workforce of the department, including the program objectives to be achieved through such strategies; and
- specific steps that the department has taken or plans to take to ensure that the senior leader workforce is managed in compliance with the requirements of section 129 of title 10, United States Code.

In January 2008, the National Defense Authorization Act for Fiscal Year 2008 was enacted. Section 851 of this act required DOD to include in its update to the human capital plan a separate section focused on the defense acquisition workforce, including both military and civilian personnel. This section was to include

- an identification of the funding programmed for defense acquisition workforce improvements, including a specific identification of funding provided in the Department of Defense Acquisition Workforce Fund established under section 1705 of title 10, United States Code;
- an identification of the funding programmed for defense acquisition workforce training in the future-years defense program, including a specific identification of funding provided by the acquisition workforce training fund established under section 37(h)(3) of the Office of Federal Procurement Policy Act (41 U.S.C. § 433(h)(3));
- a description of how the funding identified will be implemented during the fiscal year concerned to address the areas of need identified;
- a statement of whether the funding identified is being fully used; and
- a description of any continuing shortfall in funding available for the defense acquisition workforce.

Also, as part of this section, the act directed DOD to include an identification of any areas of need in the defense acquisition workforce, including

- gaps in the skills and competencies of the current or projected defense acquisition workforce;
- changes to the types of skills needed in the current or projected defense acquisition workforce;
- incentives to retain in the defense acquisition workforce qualified, experienced personnel; and
- incentives for attracting new, high-quality personnel to the defense acquisition workforce.

Enclosure III

Summary of National Defense Authorization Act for Fiscal Year 2010 Requirements Applicable to Overall Civilian, Senior Leader, and Acquisition Workforces

	Overall Workforce	Senior Leader Workforce	Acquisition Workforce
AN ASSESSMENT OF			
Critical skills and competencies that will be needed in the future within the civilian workforce by the Department of Defense to support national security requirements and effectively manage the department during the 7-year period following the year in which the plan is submitted	✓	✓	✓
The appropriate mix of military, civilian, and contractor personnel capabilities	✓	✓	✓
The critical skills and competencies of the existing workforce of the department and projected trends in that workforce based on expected losses due to retirement and other attrition	✓	✓	✓
Gaps in the existing or projected workforce of the department that should be addressed to ensure that the department has continued access to the critical skills and competencies it needs	✓	✓	✓
Using results-oriented performance measures, of the progress of the department in implementing the strategic workforce plan under this section during the previous year	✓		
A PLAN OF ACTION THAT INCLUDES			
Specific recruiting and retention goals, especially in areas identified as critical skills and competencies, including the program objectives of the department to be achieved through such goals and the funding needed to achieve such goals	✓	✓	✓
Specific strategies for developing, training, deploying, compensating, and motivating the civilian workforce of the Department, including the program objectives of the department to be achieved through such strategies and the funding needed to implement such strategies	✓	✓	✓
Any incentives necessary to attract or retain any civilian personnel possessing the skills and competencies identified	✓	✓	✓
Any changes in the number of personnel authorized in any category of personnel in the senior leader workforce or in the acquisition workforce that may be needed to address such gaps and effectively meet the needs of the department		✓	✓
Any changes in resources or in the rates or methods of pay for any category of personnel in the senior leader workforce or in the acquisition workforce that may be needed to address inequities and ensure that the department has full access to appropriately qualified personnel to address such gaps and meet the needs of the department		✓	✓
Any legislative changes that may be necessary to achieve the goals	✓	✓	✓
SPECIFIC STRATEGIES FOR			
Developing, training, deploying, compensating, motivating, and designing career paths and career opportunities		✓	
SPECIFIC STEPS THAT THE DEPARTMENT HAS TAKEN OR PLANS TO TAKE TO			
Ensure that such workforce is managed in compliance with the requirements of section 129 of this title		✓	
Develop appropriate career paths for civilian employees in the acquisition field			✓
Implement the requirements of section 1722a with regards to members of the armed forces in the acquisition field			✓
A PLAN FOR FUNDING			
Needed improvements in the acquisition workforce of the Department through the period of the future-years defense program including a specific identification of funding provided in the Department of Defense Acquisition Workforce Fund, along with a description of how such funding is being implemented and whether it is being fully used and a description of any continuing shortfalls in funding available for the acquisition workforce			✓
ANY ADDITIONAL MATTER			
The Secretary of Defense considers necessary to address	✓		
SUBMITTALS			
From Secretaries of the military services and Heads of the defense agencies regarding each of the above legislative requirements	✓		
Total Requirements	11	12	13

✓ Applicable

Source: GAO analysis of DOD data.

Note: Critical skills and competencies of the existing and future workforces—lines 1 and 3 above—were divided into 5 items, (1) critical skills for the future workforce, (2) critical competencies for the future workforce, (3) critical skills for the existing workforce, (4) critical competencies for the existing workforce, and (5) projected trends. Thus, total requirements were 14 for the overall workforce, 15 for the senior leader workforce, and 16 for the acquisition workforce.

Enclosure IV

Scope and Methodology

To determine the extent to which the DOD's 2009 update to its civilian human capital strategic workforce plan addresses the statutory requirements related to the overall civilian, senior leader, and defense acquisition workforces, as established in section 1108 of the National Defense Authorization Act for Fiscal Year 2010 (FY 2010 NDAA), we obtained and reviewed DOD's workforce plan for the overall and senior leader workforces titled *Report on the Strategic Human Capital Plan for Civilian Employees of the Department of Defense 2006-2010* (published March 31, 2010) along with DOD's Acquisition Workforce Improvement Strategy—published on April 27, 2010 (an appendix to the aforementioned DOD workforce plan). Together, these documents consisted of nearly 1,000 pages of information related to strategic planning for DOD's civilian workforce. We developed a checklist based on the FY 2010 NDAA legislative requirements, which enabled us to compare the requirements to DOD's workforce plans. Two analysts independently assessed the DOD workforce plans using the checklist and assigned a rating to each of the elements from one of three potential ratings: "addresses," "partially addresses," or "does not address." According to our methodology, a rating of "addresses" was assigned if all elements of the legislative requirement were discussed, even if specificity and details could be improved upon. In several instances, "any" was a key word in the legislative requirement, and we considered those addressed if DOD discussed one or more actions that demonstrated the requirement. Within our designation of "partially addresses," there was a wide variation between an assessment or plan of action that includes most of the elements of the legislative requirement and an assessment or plan of action that includes a few of the elements of the legislative requirement. A rating of "does not address" was assigned when elements of a characteristic were not explicitly cited or discussed or any implicit references were either too vague or too general to be useful. While we took steps to ensure that legislative requirements were addressed in DOD's workforce plan and other supporting documents, we did not verify that all actions taken by DOD for each of the legislative requirements were sufficient and adequate within our allotted time frame. The independent assessments completed by the two analysts were in agreement in the majority of the cases. When different initial ratings were given by the analysts, they met with a senior analyst to discuss and resolve differences in their respective checklist analyses. The senior analyst also validated the results. On the basis of those discussions, a consolidated final checklist was developed.

We also took steps to ensure that the data upon which DOD based its workforce assessments and gap analyses were sufficiently reliable for the purposes of our review of the overall civilian workforce and the senior leader workforce. Specifically, we (1) interviewed DOD officials to obtain updated information on the workforce forecasting systems that DOD used to assess its civilian workforce and ascertained that the data utilized by the forecasting systems were subjected to appropriate internal controls and edit checks and (2) reviewed the steps taken during prior GAO reviews and the conclusion reached concerning data reliability related to DOD's forecasting systems.²⁵ For the overall workforce plan, we also analyzed applicable documents, such as DOD's *Civilian Human Capital Management Report for Fiscal Year 2009* that was submitted to OPM, to determine the extent to which this report provided information related to the legislative requirements. We also interviewed officials in DOD's Office of Civilian Personnel Policy (CPP) and Civilian Personnel Management Service, along with officials from the DOD functional communities, about the update and ongoing human capital efforts within DOD. Further, we identified and reviewed factors that may affect DOD's civilian workforce planning, such as those that DOD identified in its update. Finally, we analyzed prior GAO reports examining other human capital challenges within DOD, including determining how the department identified gaps in the workforce, assessed

²⁵ Specifically, we relied on previous data reliability assessments from GAO-04-753 and GAO-03-1046.

its critical skills and competencies, and identified the necessary funding needed to achieve goals and implement strategies.

Furthermore, to determine the extent to which DOD's 2009 workforce plan addresses civilian human capital planning requirements for the senior leader workforce, we analyzed applicable documents, such as DOD's senior leader baseline review along with other relevant information and DOD instructions related to DOD's current efforts. To corroborate our understanding of DOD's efforts related to strategic workforce planning for senior leaders, we utilized information from an ongoing engagement related to planning for the senior leader workforce.²⁶ Specifically, we interviewed officials in DOD's CPP about matters related to the legislative requirements, including determining how the department identified gaps in the workforce, along with critical skills and competencies.

To establish the extent to which DOD's 2009 workforce plan addresses civilian human capital planning requirements for the defense acquisition workforce, we analyzed selected portions²⁷ of the Acquisition Workforce Improvement Strategy, which is appendix 1 of the strategic workforce plan. We took steps to ensure that the data that DOD used for its assessments and gap analyses associated with its acquisition workforce were sufficiently reliable for the purposes of our review. Specifically, we interviewed officials with the Defense Acquisition University who are responsible for the acquisition workforce data collection, quality control and data storage to determine if the data were subject to proper internal controls and data checks and discussed their approach to forecasting gains and losses. Finally, we interviewed officials in the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics along with officials from selected acquisition workforce career fields concerning the update and ongoing human capital efforts within the acquisition workforce.

We conducted this performance audit from December 2009 to September 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

²⁶ GAO expects to issue the report for this ongoing work in October 2010.

²⁷ Specifically, we analyzed three chapters—which covered defense acquisition workforce strategies, analytics, and initiatives—and key supporting appendixes that cover career fields such as: contracting, and production quality and management; and separate strategic workforce plans for the Army, Navy, Air Force, and Defense Contract Management Agency workforces; along with the separate appendices discussing Acquisition Career Paths, Critical Acquisition Functions, and Defense Acquisition Workforce Awards.

Enclosure V**GAO Assessment of DOD's Civilian Workforce Plan****DOD's Overall Civilian Workforce Plan Addresses Five and Partially Addresses Nine Legislative Requirements of the FY 2010 NDAA**

DOD's 2009 overall civilian workforce plan addresses five of the legislative requirements and partially addressing the remaining nine requirements. For example, DOD addressed the requirement to identify any incentives that are needed to attract and retain qualified civilians. Specifically, each of the 22 MCOs discussed incentives such as repayment of student loans and tuition assistance programs. In addition, the overall civilian workforce plan partially addresses legislative requirements such as assessing the critical competencies of the existing and future workforce, which we have previously identified as essential to the strategic workforce planning process. More specifically, critical competencies have been identified for 6 of 22 MCOs within the existing workforce and 2 of 22 MCOs within the future workforce. In addition, the overall civilian workforce plan only partially addresses legislative requirements such as assessing the gaps in the current or future workforce. For example, while each of the MCOs identified gaps within its current and future workforce related to the number of civilians needed, only 5 of the 22 MCOs identified gaps in training and only 3 of the 22 MCOs—the information technology management, language specialist, and logistics management MCOs—identified gaps in the competencies of their workforces. DOD's overall civilian workforce plan also partially addresses the legislative requirements for a plan of action to develop and reshape the civilian workforce. For example, the plan lacks information regarding the funding needed to achieve DOD's recruitment and retention goals or to implement strategies to develop, train, deploy, motivate, and compensate the civilian workforce. (See table 2.)

Table 2: GAO Assessment of the Extent to Which FY 2010 NDAA Legislative Requirements Are Addressed in DOD's Overall Civilian Workforce Plan

Overall civilian workforce legislative requirements and comments	Our assessment
(1) An assessment of the critical skills of the existing civilian workforce of the department ^a [10 U.S.C. § 115b(b)(1)(C)] Comments: DOD's overall civilian workforce plan addresses this legislative requirement. Specifically, DOD's plan discusses 22 MCOs, ^b which according to DOD officials, constitute the department's critical skills for its existing workforce. Originally, the under secretaries and human resource representatives from the components identified a list of MCOs. Then, OSD's Office of Personnel and Readiness reviewed this list and identified the MCOs that were applicable enterprise-wide. These were subsequently assessed and validated by the relevant under secretaries and functional community managers (FCM). ^c While DOD has identified its critical skills as MCOs, department officials were not able to provide written guidance defining these terms. During our prior review of DOD's 2008 workforce plan, ^d DOD officials told us that "MCOs" referred to both critical skills and critical competencies, and that at the time, the department was working on guidance to define those terms and various other workforce planning terms. However, at the time of this review, the guidance had not yet been completed and issued.	●
(2) An assessment of projected trends in the existing civilian workforce based on expected losses due to retirement and other attrition ^a [10 U.S.C. § 115b(b)(1)(C)] Comments: DOD's overall civilian workforce plan addresses this legislative requirement. Specifically, DOD's plan contains projected trend data based on expected losses from retirement and other attrition for all 22 MCOs. DOD provides data from OPM's WASS and CIVFORS projection tool—from fiscal year 2004 through fiscal year 2015—that show age distribution, end strength history and projections, and total gains, total losses, and retirements for each of the 22 MCOs.	●
(3) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies, including any incentives necessary to attract or retain any civilian personnel possessing the skills and	●

Overall civilian workforce legislative requirements and comments	Our assessment
<p>competencies identified [10 U.S.C. § 115b(b)(2)(C)]</p> <p>Comments: DOD's overall civilian workforce plan addresses this legislative requirement by identifying "any" incentives needed to attract or retain any civilian personnel possessing the identified skills and competencies. Specifically, the workforce plan states that the department has established recruitment, retention, and relocation incentives. For example, incentives are identified for each of the 22 MCOs, including recruitment, retention, and relocation strategies such as repayment of student loans, tuition assistance programs, and reimbursements of relocation expenses for qualified positions. For the 3 MCOs that discussed competency gap analyses—language, logistics, and information technology management—the plan identifies student loan repayments, advanced degree tuition assistance, and pay-banded compensation. This is a new requirement in the FY 2010 NDAA.</p>	
<p>(4) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies that includes any legislative changes that may be necessary to achieve its recruiting and retention goals [10 U.S.C. § 115b(b)(2)(F)]</p>	●
<p>Comments: DOD's overall civilian workforce plan addresses this legislative requirement. Specifically, DOD's workforce plan identifies legislative changes that may be necessary to help achieve the recruiting and retention goals set forth in the plan. For example, DOD identifies several enterprise-wide legislative changes, including compensation and benefit enhancements, such as restoration of locality pay and guaranteed cost of living increases, which are necessary to develop and sustain a cadre of future leaders. DOD also identified other specific legislative changes, such as direct and expedited hire authorities, special salary rates, and pilot programs for internships. For the three MCOs that discussed competency gap analyses—language, logistics, and information technology management—the plan identifies the use of expedited hiring authorities, special pay provisions, and noncompetitive conversions for specific scholarships. This is a new requirement in the FY 2010 NDAA.</p>	
<p>(5) Any additional matters the Secretary of Defense considers necessary to address [10 U.S.C. § 115b(b)(4)]</p>	●
<p>Comments: DOD's overall civilian workforce plan addresses this legislative requirement. DOD has included information as "additional matters" that the Secretary of Defense considers necessary to address. For example, DOD included OSD's Office of Personnel and Readiness' Strategic Plan for Fiscal Years 2010-2012 as an enclosure to its workforce plan, which includes five strategic goals and time frames for the 24 subgoals. The plan also discussed key factors, such as implementing base realignment and closure, continuing care for wounded warriors, and meeting mission requirements related to ongoing efforts in Iraq and Afghanistan. This is a new requirement in the FY 2010 NDAA.</p>	
<p>(6) An assessment of critical skills that will be needed in the future within the civilian workforce by the Department of Defense to support national security requirements and effectively manage the department during the 7-year period following the year in which the plan is submitted' [10 U.S.C. § 115b(b)(1)(A)]</p>	Θ
<p>Comments: DOD's overall civilian workforce plan partially addresses this legislative requirement. Specifically, as previously discussed, DOD's plan discusses 22 MCOs,^b which according to DOD officials, constitute the department's critical skills for its existing workforce. The MCOs were originally identified by the under secretaries and human resource representatives from the components. Then, OSD's Office of Personnel and Readiness reviewed this list and identified the MCOs that were applicable enterprise-wide. These MCOs were subsequently assessed and validated by the relevant under secretaries and functional community managers.^c However, DOD's workforce plan does not provide an assessment of critical skills needed in the future that cover the 7-year period following the year in which the plan was submitted, as stated in law. This 7-year period is a revised requirement in the FY 2010 NDAA—in the FY 2006 NDAA, DOD was required to submit information for a 10-year period. Because DOD's workforce plan was submitted in March 2010, the period stipulated in law would need to be from 2010 to 2017. However, DOD's workforce plan covers a different time frame—the period from fiscal year 2009 through fiscal year 2015.</p>	
<p>(7) An assessment of critical competencies that will be needed in the future within the civilian workforce by the Department of Defense to support national security requirements and effectively manage the department during the 7-year period following the year in which the plan is submitted' [10 U.S.C. § 115b(b)(1)(A)]</p>	Θ

Overall civilian workforce legislative requirements and comments	Our assessment
<p>Comments: DOD's overall civilian workforce plan partially addresses this legislative requirement. Specifically, DOD's plan discusses all 22 MCOs in the appendixes to its workforce plan; it identifies future competencies for only 2 of the MCOs—language specialist and logistics management. However, the assessment of critical competencies for the 2 MCOs does not cover the 7-year period following the year in which the plan was submitted. This 7-year period is a revised requirement in the FY2010 NDAA—in the FY 2006 NDAA, DOD was required to submit information for a 10-year period. We found that because DOD's workforce plan was submitted in March 2010, the assessment of critical competencies would need to extend through fiscal year 2017 to address the legislative requirement. Specifically, DOD's workforce plan covers a 7-year period from fiscal year 2009 through fiscal year 2015.</p> <p>Furthermore, the workforce plan does not identify future competencies for the remaining 20 MCOs. The plan does, however, state that DOD has begun a pilot program to perform competency assessments for the MCOs that it has identified. But, according to department officials, DOD anticipates completing four or five assessments per year. At that pace, it would take until 2015 to complete assessments on the currently identified MCOs.</p>	
<p>(8) An assessment of the appropriate mix of military, civilian, and contractor personnel capabilities [10 U.S.C. § 115b(b)(1)(B)]</p> <p>Comments: DOD's overall civilian workforce plan partially addresses this legislative requirement. Specifically, DOD's workforce plan identifies seven factors that will affect DOD's future civilian human resource requirements. One such factor is successfully executing in-sourcing goals and optimizing the department's military, civilian, and contractor mix. In addition, the MCO reporting template used for the 2009 workforce plan instructed the functional community managers to consider a number of factors, including both in-sourcing and military-to-civilian conversions, when evaluating their workforce requirements.</p> <p>In addition, in February 2005, DOD issued a directive that stated that missions should be accomplished using the least costly mix of personnel (military, civilian, and contract) consistent with military requirements and other needs of the department.⁹ Further, this directive stated that functions that are inherently governmental should not be contracted and that manpower should be designated as civilian except when military incumbency is required for, among other things, reasons of law, command and control of crisis situations, and combat readiness. Subsequently, in April 2010, DOD issued an instruction that included guidance on implementing the prior directive and identifying specific positions and circumstances where military personnel have the specialized knowledge or training critical to holding these positions.¹⁰ For example, only members of the military have the training and skills to issue warrants, make arrests, or preserve crime scenes under the Uniform Code of Military Justice.</p> <p>However, while DOD has taken some steps to address this requirement, its overall civilian workforce plan does not provide an assessment of the appropriate mix of military, civilian, and contractor personnel capabilities. This is a new requirement in the FY 2010 NDAA.</p>	Θ
<p>(9) An assessment of the critical competencies of the existing civilian workforce of the department [10 U.S.C. § 115b(b)(1)(C)]</p> <p>Comments: DOD's overall civilian workforce plan partially addresses this legislative requirement. Specifically, DOD discusses all 22 MCOs in the appendixes to its workforce plan and identifies critical competencies for 6 of the MCOs. For example, the medical community provides competency frameworks for 3 of its 5 MCOs, which includes necessary education, training requirements, service-specific competencies, situation-specific competencies, and core competencies. However, critical competencies are not provided for the remaining 16 MCOs. As discussed above, DOD has begun a pilot program to perform competency assessments for the MCOs that it has identified. But, according to officials, the department anticipates completing four or five assessments per year. At that pace, it would take until 2015 to complete assessments on the currently identified MCOs.</p>	Θ
<p>(10) An assessment of gaps in the existing or projected civilian workforce of the department that should be addressed to ensure that the department has continued access to the critical skills and competencies it needs [10 U.S.C. § 115b(b)(1)(D)]</p>	Θ

Overall civilian workforce legislative requirements and comments	Our assessment
<p>Comments: DOD's overall civilian workforce plan partially addresses this legislative requirement. Specifically, DOD's workforce plan includes some gap analyses for the 22 MCOs. For example, DOD provides gaps related to the number of personnel needed based on WASS/CIVFOR data—from fiscal year 2004 through fiscal year 2015. This information shows age distribution, end strength history and projections, and total gains, losses, and retirements for each of the 22 MCOs. Additionally, as discussed below, DOD identifies recruiting and retention goals for each of the 22 MCOs. Using the WASS/CIVFOR data and the recruiting and retention goals, gaps in the number of personnel needed can be identified. In addition, 5 MCOs identified additional training needed by their workforces—that is, training gaps.</p> <p>While DOD's plan discusses the above gaps, the plan discussed competency gap analyses for only 3 of the 22 MCOs. As we previously reported,¹ it is essential for gap analyses for strategic workforce planning to include an evaluation of gaps in numbers of personnel needed, as well as for the critical skills and competencies needed by the workforce. Further, the competency gap analyses become a basis for the department to establish recruitment and retention goals as well as to identify strategies to develop, train, deploy, compensate, and motivate the workforce. To facilitate the gap analyses, DOD has begun a pilot program to perform competency assessments for the MCOs that it has identified. Specifically, in its efforts for its 2010 workforce plan, DOD officials stated that it will take an enterprise-wide approach in developing the Enterprise Management Competency System. This system will be an add-on to DCPDS and will serve as a competency repository—including competencies that are enterprise-wide, component based, and occupation specific—for the MCOs.</p> <p>As of June 2010, DOD officials stated that the only functional community to have OPM validate its competencies is the leadership community, with three additional MCOs currently in the validation process with OPM. Furthermore, according to DOD officials, the department anticipates completing four or five assessments per year. At that pace, it would take until 2015 to complete assessments on the currently identified MCOs.</p>	
<p>(11) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies that includes specific recruiting and retention goals, especially in areas identified as critical skills and competencies, including the program objectives of the department to be achieved through such goals and the funding needed to achieve such goals [10 U.S.C. § 115b(b)(2)(A)]</p>	Θ
<p>Comments: DOD's overall civilian workforce plan partially addresses this legislative requirement. Specifically, DOD's workforce plan identifies recruiting and retention goals for each MCO—the number of positions that are needed. However, while these goals identified by DOD are designed to fill gaps in the number of personnel, some of these goals are not based on competency gaps analyses—especially since only 3 of the 22 MCOs have identified competency gaps—which we have previously reported as essential to strategic workforce planning efforts.¹</p> <p>Furthermore, the workforce plan does not discuss the funding needed for achieving the recruiting and retention goals. This is a new requirement in the FY 2010 NDAA.</p>	
<p>(12) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies that includes specific strategies for developing, training, deploying, compensating, and motivating the civilian workforce of the department, including the program objectives of the department to be achieved through such strategies and the funding needed to implement such strategies [10 U.S.C. § 115b(b)(2)(B)]</p>	Θ
<p>Comments: DOD's overall civilian workforce plan partially addresses this legislative requirement. Specifically, DOD's workforce plan identifies a number of specific strategies to develop, train, deploy, compensate, and motivate the department's workforce for each MCO. For example, the human resources MCO developed courses to train its personnel and address competency gaps in benefits offices. Specifically, it developed a pay course that focuses on teaching recruiters and others how to use the wide range of pay flexibilities and a classification course to help managers understand how to leverage competencies when establishing or classifying positions. This MCO also identified strategies to deploy employees, which included expedited hiring authorities, relocation incentives, and scholarships, along with strategies to compensate and motivate personnel, which included special pay rates for specialty occupations, wellness initiatives, and incentives such as telework and flexible work schedules.</p>	

Overall civilian workforce legislative requirements and comments	Our assessment
<p>However, some of the strategies identified by DOD are not based on competency gap analyses because only 3 of the 22 MCOs have identified competency gaps, which we have previously reported as essential to strategic workforce planning efforts. Strategies identified by the 3 MCOs included scholarship programs, use of Base Realignment and Closure bonuses, and special salary rates for qualified employees. Furthermore, the workforce plan does not identify the funding needed to implement these strategies—a new requirement under the FY 2010 NDAA.</p>	
<p>(13) An assessment, using results-oriented performance measures, of the progress of the department in implementing the strategic workforce plan under this section during the previous year [10 U.S.C. § 115b(b)(3)]</p>	Θ
<p>Comments: DOD's overall civilian workforce plan partially addresses the legislative requirement. While the plan does not report progress on specific goals using results-oriented performance metrics, other DOD documents provide information on performance measures related to the workforce plan. For example, DOD's <i>Civilian Human Capital Management Report for Fiscal Year 2009</i> provides a metric for measuring progress toward DOD's goal of having a mission-ready workforce. Specifically, it states that the success indicator for measuring annual progress toward a mission-ready workforce will be achieved when 85 percent of the staffing projections are met within certain targeted MCOs. More specifically, the report states that this performance measure was met—with respect to number of people only—by eight MCOs, including information technology, human resources, and acquisition. Further, the report stated that DOD hopes to assess all MCOs against this measure in future years. However, DOD lacks additional indicators to determine the relationship of its efforts to the accomplishment of its goals and objectives. For example, we found that the workforce plan identified a number of specific strategies for developing, training, deploying, compensating, and motivating the civilian workforce, but it did not specify performance measures to determine how and if the strategies were implemented.</p>	
<p>DOD's 2009 workforce plan states that the department will set and communicate performance metrics in fiscal year 2010 and that it will begin to monitor and track progress in the third or fourth quarter of fiscal year 2010. However, at this time, DOD has not provided information concerning any additional performance measures. This is a new requirement in the FY 2010 NDAA.</p>	
<p>(14) Submittals from secretaries of the military services and heads of the defense agencies regarding each of the above legislative requirements that are submitted within established deadlines to ensure timely consideration [10 U.S.C. § 115b(e)]</p>	Θ
<p>Comments: DOD's overall civilian workforce plan partially addresses this legislative requirement. DOD did receive input from the military services and defense agencies when developing information at the MCO level. However, a deadline for the submittal of the reports that were to contain information concerning each of the legislative requirements was never established by the Secretary of Defense, and the secretaries of the military departments and the heads of the defense agencies never formally submitted reports addressing each of the matters described in the legislation. This is a new requirement in the FY 2010 NDAA. In plans for its next update, DOD has established time frames/deadlines for components to provide information. Additionally, DOD has established a “component integrator” position to coordinate information developed at the functional community level within each component through a single point to ensure that the information conveys the component perspective.</p>	

Source: GAO analysis of DOD data.

Legend: ● = Addressed—workforce plan discussed all aspects of the legislative requirement; Θ = Partially addressed—workforce plan discussed some aspects of the legislative requirement.

Notes:

^aSpecifically, this legislative requirement states that DOD is to complete an assessment of the critical skills and competencies of the existing workforce and projected trends based on expected losses caused by retirement and other attrition. In our 2009 report, GAO-09-235, we separated this requirement into three requirements covering critical skills, critical competencies, and projected trends.

^bDOD has identified 24 enterprise-wide MCOs; 22 of these occupations are associated specifically with the overall civilian workforce and are discussed in the strategic workforce plan, while, the remaining 2 are acquisition-related occupations—contracting and quality assurance—and are discussed in the *Defense Acquisition Workforce Improvement Strategy* (published as a separate report).

^cFCMs are appointed by their respective under secretaries and are responsible for monitoring the strategic human capital planning efforts for their respective communities, including workforce forecasting, competency assessment, and strategy development.

^dGAO-09-235.

^eGAO, *DOD's High-Risk Areas: Observations on DOD's Progress and Challenges in Strategic Planning for Supply Chain Management*, GAO-10-929T (Washington, D.C.: July 27, 2010) and GAO-04-753.

^fSpecifically, this legislative requirement states that DOD is to complete an assessment of the critical skills and competencies of the future workforce. In our 2009 report, GAO-09-235, we separated this requirement into two requirements covering critical skills and critical competencies.

^gDOD Directive 1100.4, *Guidance for Manpower Management* (Feb. 12, 2005).

^hDOD Instruction 1100.22, *Policy and Procedures for Determining Workforce Mix* (Apr. 12, 2010).

ⁱGAO-04-753.

^jDOD's 2009 Civilian Human Capital Strategic Workforce Plan defines "deploy" as any activity or program designed to acquire and assign the workforce to positions, jobs, or locations.

DOD's Senior Leader Workforce Plan Addresses Seven, Partially Addresses Six, and Does Not Address Two Legislative Requirements of the FY 2010 NDAA

DOD's senior leader workforce plan, as seen in table 3, addresses seven, partially addresses six, and does not address two of the requirements found in the FY 2010 NDAA. For example, the senior leader workforce plan addresses the requirement to identify any incentives needed to attract and retain qualified senior leaders—including offering benefits to civilian leaders that are comparable to the benefits provided to general officers. Further, DOD's senior leader workforce plan identifies changes needed in the number of personnel authorized to address its growing civilian senior leader workforce needs. However, the senior leader workforce plan partially addresses legislative requirements such as the assessments of gaps in the existing or future workforce. Specifically, gap analyses are ongoing to identify the competencies that the existing senior leader workforce needs. DOD's senior leader workforce plan also partially addresses the legislative requirements for a plan of action to develop and reshape the senior leader workforce that includes recruiting and retention goals and strategies to develop, train, deploy, motivate, and compensate the needed senior leaders. For example, the senior leader workforce plan lacks information regarding the funding needed to achieve its recruitment and retention goals as well as the funding needed to implement strategies to develop, train, deploy, motivate, and compensate the senior leader workforce. Finally, the workforce plan does not address the assessment of skills of the existing or future workforces. (See table 3.)

Table 3: GAO Assessment of the Extent to Which FY 2010 NDAA Legislative Requirements Are Addressed in DOD's Senior Leader Workforce Plan

Senior leader workforce legislative requirements and comments	Our assessment
<p>(1) An assessment of the projected trends in the senior leader workforce based on expected losses due to retirement and other attrition [10 U.S.C. § 115b(c)(2)(A); 10 U.S.C. § 115b(b)(1)(C)]</p> <p>Comments: DOD's senior leader workforce plan addresses this legislative requirement. Specifically, DOD's workforce plan provides projected workforce trends for senior leaders based on anticipated retirement rates and other attrition. Further, the plan includes trend projections for the Senior Executive Service and the Senior Leader, the Science and Professional, and the intelligence community segments of the senior leader workforce. This is a new requirement in the FY 2010 NDAA.</p>	●
<p>(2) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies that includes any incentives necessary to attract or retain any civilian personnel possessing the skills and competencies identified [10 U.S.C. § 115b(c)(2)(B); 10 U.S.C. § 115b(b)(2)(C)]</p> <p>Comments: DOD's senior leader workforce plan addresses this legislative requirement by identifying "any" incentives needed to attract or retain any civilian personnel possessing the identified skills and competencies. Specifically, DOD recognizes a need to grow and sustain a culture that values and respects members of the civilian executive ranks as much as general and flag officers (G/FO) and identified incentives to create such a culture. For example, DOD's workforce plan identifies an administrative action that is under consideration to provide civilian Senior Executive Service-level personnel with parking, motor pool, and mess privileges equivalent to those of G/FOs. In addition, DOD would support legislative action to expand the use of special pay provisions granted under a pilot project. This project created a special pay band beyond the General Schedule 15 level to attract and retain senior scientists, engineers, and technologists to scientific, engineering, and technical positions who do not fully meet the criteria for either a Senior Executive Service position or a Scientific and Professional position.</p>	●
<p>(3) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies that includes any changes in the number of personnel authorized in any category of personnel in the senior leader workforce that may be needed to address such gaps and effectively meet the needs of the department [10 U.S.C. § 115b(c)(2)(B); 10 U.S.C. § 115b(b)(2)(D)]</p> <p>Comments: DOD's senior leader workforce plan addresses this legislative requirement. For</p>	●

Senior leader workforce legislative requirements and comments	Our assessment
<p>example, DOD's workforce plan identifies a number of changes needed in the number of personnel authorized and stated that it expects executive requirements to increase by more than 400 positions by fiscal year 2015—over 60 percent of these requirements are needs that cannot be filled within the department's current executive allocations. Specifically, the plan identifies the need for 240 additional senior leader allocations for fiscal year 2010 to satisfy emerging mission needs—including allocations for increased medical requirements and to backfill positions previously held by G/FOs who have been or will be deployed. Additionally, the components identified a need for 25 senior leader allocations to address shortfalls in the acquisition workforce.</p>	
<p>(4) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies that includes any changes in resources or in the rates or methods of pay for any category of personnel in the senior leader workforce that may be needed to address inequities and ensure that the department has full access to appropriately qualified personnel to address such gaps and meet the needs of the department [10 U.S.C. § 115b(c)(2)(B); 10 U.S.C. § 115b(b)(2)(E)]</p> <p>Comments: DOD's senior leader workforce plan addresses this legislative requirement. For example, the plan stated that DOD supports legislative action to expand the use of special pay provisions granted under a pilot project for senior scientists, engineers, and technologists. This project created a special pay band beyond the General Schedule 15 level to attract and retain candidates to scientific, engineering, and technical positions who do not fully meet the criteria for either a Senior Executive Service position or a Scientific and Professional position. Finally, DOD is considering bonuses to alleviate pay compression for the Science and Engineering laboratory employees.</p> <p>Additionally, the plan states that DOD would advocate legislative actions to expand the definition of Scientific or Professional criteria to include Information Technology to allow use of the Scientific or Professional pay system for highly specialized work in information technology architecture, systems integration, and information assurance.</p>	●
<p>(5) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies that includes any legislative changes that may be necessary to achieve the goals [10 U.S.C. § 115b(c)(2)(B); 10 U.S.C. § 115b(b)(2)(F)]</p> <p>Comments: DOD's senior leader workforce plan addresses this legislative requirement. Specifically, DOD has identified a need in the intelligence MCO for an increase of 100 Defense Intelligence Senior Executive Service positions, which would require legislation to change 10 U.S.C. § 1606(a). DOD is seeking authorization for 50 Defense Intelligence Senior Executive Service positions for fiscal year 2011 and will seek to increase its authorization of Defense Intelligence Senior Executive Service positions at a rate equal to the Senior Executive Service allocation increase, not to exceed a total increase of 100 positions. These increases would bring the total authorization for Defense Intelligence Senior Executive Service positions to 694. Additionally, as stated above, DOD supports legislative actions to expand the definition of Scientific and Professional position criteria to include Information Technology as well as Research and Development to allow use of the Scientific and Professional position pay system for highly specialized work in information technology architecture, systems integration, and information assurance.</p>	●
<p>(6) Specific strategies for developing, training, deploying, compensating, motivating, and designing career paths and career opportunities [10 U.S.C. § 115b(c)(2)(C)]</p> <p>Comments: DOD's senior leader workforce plan addresses this legislative requirement. Specifically, DOD's workforce plan identifies strategies for managing career paths and opportunities to include talent management panels that are used to make career opportunities available to the Senior Executive Service workforce. Additionally, the plan discussed use of the Defense Talent Management System (DTMS) to identify talent pools and succession plans and to share talent across DOD. More specifically, it states that DTMS will be used to create succession plans for executive positions, create and project executive bench strength, define levels of executive potential, identify talent pools at early and mid levels to be future top leaders, and share talent across DOD. Some modules of the system are currently operational and being used by the Army and the Air Force. DTMS is expected to be fully operational for all components in 2010.</p>	●
<p>(7) Specific steps that the department has taken or plans to take to ensure that such</p>	●

Senior leader workforce legislative requirements and comments	Our assessment
workforce is managed in compliance with the requirements of section 129 of this title [10 U.S.C. § 115b(c)(2)(D)]	
<p>Comments: DOD's senior leader workforce plan addresses this legislative requirement by identifying plans to issue guidance concerning compliance with 10 U.S.C. § 129. As we previously reported on DOD's 2008 workforce plan,^a DOD was in the process of developing a new instruction that would explain the manpower and resources that are allocated and managed to support the strategic objectives, daily operation, and effective and economical administration of the department. DOD's 2009 workforce plan, published March 2010, reiterates this commitment to providing policies needed to ensure compliance with 10 U.S.C. § 129 and states that the proposed instruction was expected to go into final coordination by October 2009. However, at the time of our review, DOD officials stated that this guidance had not yet been issued because the department had originally planned to issue a directive-type memorandum,^b but was later instructed to issue an instruction that the department anticipates issuing by the end of fiscal year 2010.</p>	
<p>(8) An assessment of critical competencies that will be needed in the future within the senior leader workforce by the Department of Defense to support national security requirements and effectively manage the department during the 7-year period following the year in which the plan is submitted [10 U.S.C. § 115b(c)(2)(A); 10 U.S.C. § 115b(b)(1)(A)]</p>	Θ
<p>Comments: DOD's senior leader workforce plan partially addresses this legislative requirement. Specifically, DOD collaborated with Office of Personnel Management to assess the future critical skills and competencies needed by its Senior Executive Service workforce. For example, DOD used the Office of Personnel Management's Civilian Leader Development Competency Assessment Survey to validate five core competencies for the Senior Executive Service workforce. These included leading change, leading people, results driven, business acumen, building coalitions, and enterprise-wide perspective. DOD also identified three unique DOD competencies—joint perspective, national security perspective, and enterprise perspective—which it will require for some of its more advanced executives. In August 2008, DOD administered the survey to supervisors, managers, and Senior Executive Service members to establish a baseline for the capabilities of its Senior Executive Service workforce. While the plan does not identify critical competencies related to the Senior Leader and Scientific and Professional positions, a DOD official stated that Subchapter 920 of the DOD's <i>Civilian Personnel Manual</i> titled Executive and Senior Professional Pay and Performance System contains performance elements that would be similar to competencies for these positions.</p>	
<p>Furthermore, the assessment of critical competencies for the senior leader workforce does not cover the 7-year period following the year in which the plan was submitted. The 7-year period is a revised requirement in the FY 2010 NDAA—in the FY 2006 NDAA, DOD was required to submit information for a 10-year period. Since DOD's workforce plan was submitted in March 2010, the assessment of critical competencies of the senior leader workforce would need to extend through fiscal year 2017 to address the legislative requirement. DOD's workforce plan, however, covers a different 7-year period—from fiscal year 2009 through fiscal year 2015.</p>	
<p>(9) An assessment of the appropriate mix of military, civilian, and contractor personnel capabilities [10 U.S.C. § 115b(c)(2)(A); 10 U.S.C. § 115b(b)(1)(B)]</p>	Θ
<p>Comments: DOD's senior leader workforce plan partially addresses this legislative requirement. DOD's workforce plan states that, due to gaps in the expertise of its senior leader workforce in the 2000's, the use of contractors increased during that time period, particularly after September 11, 2001. Furthermore, DOD's workforce plan recognizes the need for an increase in civilian senior leadership positions in part to replace existing contractors and identifies the need for 240 additional senior leader allocations for fiscal year 2010 to satisfy emerging mission needs—including allocations to backfill positions previously held by General and Flag Officers who have been or will be deployed. The plan, however, does not identify what the appropriate level of military, civilian and contractor personnel should be. This is a new requirement in the FY 2010 NDAA.</p>	
<p>(10) An assessment of the critical competencies of the existing senior leader workforce of the department [10 U.S.C. § 115b(c)(2)(A); 10 U.S.C. § 115b(b)(1)(C)]</p>	Θ
<p>Comments: DOD's senior leader workforce plan partially addresses this legislative requirement. Specifically, DOD's workforce plan assessed six OPM core competencies for its</p>	

Senior leader workforce legislative requirements and comments	Our assessment
<p>Senior Executive Service workforce along with three unique DOD-specific competencies. The plan also mentions that by September 30, 2010, the department will establish joint capability competency requirements for 80 percent of DOD's Senior Executive Service positions. It further states that by September 2011, DOD would complete requirements for the remaining 20 percent. While the plan does not identify critical competencies related to the Senior Leader and Scientific and Professional positions, a DOD official stated that subchapter 920 of DOD's <i>Civilian Personnel Manual</i>, titled "Executive and Senior Professional Pay and Performance System," contains performance elements that would be similar to competencies for these positions. We note that this requirement is new in the FY 2010 NDAA.</p>	
<p>(11) An assessment of gaps in the existing or projected senior leader workforce of the department that should be addressed to ensure that the department has continued access to the critical skills and competencies [10 U.S.C. § 115b(c)(2)(A); 10 U.S.C. § 115b(b)(1)(D)]</p> <p>Comments: DOD's senior leader workforce plan partially addresses this legislative requirement. Specifically, DOD's workforce plan identifies gaps in the number of senior leader authorizations needed through fiscal year 2015. However, as mentioned previously, while DOD has identified core competencies for the existing Senior Executive Service workforce, efforts are ongoing to assess the competency gaps for the existing Senior Executive Service workforce. Specifically, DOD administered a survey to supervisors, managers, and Senior Executive Service members to establish a baseline for the core competencies of its Senior Executive Service workforce. According to DOD officials, a second survey will be completed and the results will be compared to those of the first survey, which will allow DOD to identify its competency gaps.</p>	Θ
<p>(12) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies that includes specific recruiting and retention goals, especially in areas identified as critical skills and competencies, including the program objectives of the department to be achieved through such goals and the funding needed to achieve such goals [10 U.S.C. § 115b(c)(2)(B); 10 U.S.C. § 115b(b)(2)(A)]</p> <p>Comments: DOD's senior leader workforce plan partially addresses this legislative requirement. Specifically, DOD's workforce plan has identified recruiting and retention goals. However, the goals are not based on competency gap analyses, and the plan does not discuss the funding needed to achieve the recruiting and retention goals. As we have previously reported,^a analyses of gaps in critical skills and critical competencies are essential to mapping out the current condition of the workforce and deciding what needs to be done to ensure that the department and components have the right mix of skills and talent for the future. We note that the funding portion of this requirement is new in the FY 2010 NDAA.</p>	Θ
<p>(13) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies that includes specific strategies for developing, training, deploying, compensating, and motivating the civilian employee workforce of the department, including the program objectives of the department to be achieved through such strategies and the funding needed to implement such strategies [10 U.S.C. § 115b(c)(2)(B); 10 U.S.C. § 115b(b)(2)(B)]</p> <p>Comments: DOD's senior leader workforce plan partially addresses this legislative requirement. Specifically, DOD's workforce plan identifies a number of strategies to develop, train, deploy, compensate, and motivate the senior leader workforce. For example, DOD identifies a pay-for-performance management system for its Senior Executive Service and Defense Intelligence Senior Executive Service personnel; is considering providing Senior Executive Service personnel with parking, motor pool, and mess privileges equivalent to those of their military counterparts; and identifies succession planning models and leadership development tools.</p> <p>Further, DOD has identified the need for special pay authorization for a certain scientific, engineering, and technical positions that do not fully meet the criteria for either a Senior Executive Service position or a Scientific and Professional position. A pilot program had authorized 40 such positions, but a recent DOD study has identified the need for additional authorization for these types of scientific, engineering, and technical positions.</p> <p>However, the strategies in the senior leader workforce plan are not based on completed gap analyses, and the plan does not discuss the funding needed. We note that the funding portion</p>	Θ

Senior leader workforce legislative requirements and comments	Our assessment
of this requirement is new in the FY 2010 NDAA.	
(14) An assessment of critical skills that will be needed in the future within the senior leader workforce by the Department of Defense to support national security requirements and effectively manage the department during the 7-year period following the year in which the plan is submitted [10 U.S.C. § 115b(c)(2)(A); 10 U.S.C. § 115b(b)(1)(A)]	<input type="radio"/>
<p>Comments: While the plan does not identify critical skills related to the Senior Leader and Scientific and Professional positions, a DOD official stated that subchapter 920 of DOD's <i>Civilian Personnel Manual</i>, titled "Executive and Senior Professional Pay and Performance System," identifies some skills as part of performance elements related to the senior leader workforce. However, another DOD official stated that there were no critical skills related to the senior leader workforce.</p>	
(15) An assessment of the critical skills of the existing senior leader workforce of the department [10 U.S.C. § 115b(c)(2)(A); 10 U.S.C. § 115b(b)(1)(C)]	<input type="radio"/>
<p>Comments: As discussed above, while the plan does not identify critical skills related to the Senior Leader and Scientific and Professional positions, a DOD official stated that subchapter 920 of DOD's <i>Civilian Personnel Manual</i>, titled "Executive and Senior Professional Pay and Performance System," identifies some skills as part of performance elements related to the senior leader workforce. However, another DOD official stated that there were no critical skills related to the senior leader workforce.</p>	

Source: GAO analysis of DOD data.

Legend: ● = Addressed—workforce plan discussed all aspects of the legislative requirement; Θ = Partially addressed—workforce plan discussed some aspects of the legislative requirement; ○ = Not addressed—workforce plan does not discuss aspects of the legislative requirement.

Notes:

^aGAO-09-235.

^bPer DOD, a directive-type memorandum is a memorandum issued to make policy, implement policy, or establish procedures that because of time constraints, cannot be published in the DOD Directives System. A directive-type memorandum shall be effective for no more than 180 days from the date signed, unless an extension is approved, during which time the memorandum shall be incorporated into an existing DOD issuance, converted to a new DOD issuance, reissued, or canceled.

DOD's Acquisition Workforce Plan Addresses 5, Partially Addresses 10, and Does Not Address 1 of the Legislative Requirements of the FY 2010 NDAA

DOD's acquisition workforce plan addresses 5, partially addresses 10, and does not address 1 of the legislative requirements.²⁸ In support of the strategy outlined in the Secretary of Defense's April 2009 memorandum to resize and rebalance the acquisition workforce, DOD's plan identified planned workforce growth, specified recruitment and retention goals, and forecasted workforce-wide attrition and retirement trends. In that regard, the plan addresses the legislative requirement to identify changes in the number of authorized personnel to address gaps and meet the needs of the department. Specifically, the plan states that DOD will grow by approximately 20,000 new personnel through fiscal year 2015. Among the elements partially addressed were (1) the current mix of civilian, military, and contractor personnel; (2) a complete assessment of the critical skills of DOD's acquisition workforce; (3) a complete assessment of the critical competencies of DOD's acquisition workforce; and (4) the funds needed to support improvements to the acquisition workforce. For example, the plan did not identify what the appropriate mix of its total acquisition workforce should be, though it states that guidance is in place for determining the appropriate workforce mix and that DOD is inventorying its use of contractors and incorporated in-sourcing as a key component of DOD's growth strategy. Similarly, DOD's plan partially addresses the legislative requirement to assess the critical skills and competencies of its acquisition workforce. While DOD has completed the competency assessment of its contracting career field, it has not completed assessments of the remaining 12 career fields, which are in various stages of progress. DOD's plan provided information on personnel certification levels—an indicator of the level of required education, training, and experience for a particular position—across all 13 of the functional career fields. While the plan did not include information on the funding needed to achieve DOD's human capital initiatives for the acquisition workforce, DOD subsequently issued a separate report on September 14, 2010. As the report was issued after the completion of our audit work, we did not have the opportunity to review and assess it. Finally, the plan did not address the requirement to identify any legislative changes that would be needed to allow the department to achieve its goals to improve the acquisition workforce. (See table 4.)

Table 4: Summary of Extent to Which DOD's Acquisition Workforce Plan Addresses the Legislative Requirements in the FY2010 NDAA

Acquisition workforce legislative requirements and comments	Our assessment
(1) An assessment of projected trends in the existing civilian workforce based on expected losses due to retirement and other attrition [10 U.S.C. § 115b(d)(2)(A); 10 U.S.C. § 115b(b)(1)(C)] Comments: DOD's acquisition workforce plan addresses this legislative requirement. DOD's acquisition workforce plan provides projected trends in the workforce based on anticipated workforce gains and losses, hiring and retention levels, retirement trends, and anticipated separation rates both across the workforce and the defense components. For example, officials stated that acquisition workforce growth targets were exceeded in fiscal year 2009 and that DOD is on target to meet or exceed growth targets in fiscal year 2010. Further, the plan indicated that overall turnover rates across the acquisition workforce decreased in fiscal year 2009, likely because of, in part, the economy. Nevertheless, the plan also states that a significant portion of the acquisition workforce will be eligible to retire over the next 5 years. Currently, approximately 19,400 civilians are eligible to retire and another 21,600 will become eligible during this period. Finally, DOD anticipates that this trend in retirement-eligible civilians will continue through fiscal year 2019.	●
(2) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies, including any incentives necessary to attract or retain any civilian personnel possessing the skills and competencies identified [10 U.S.C. § 115b(d)(2)(B); 10 U.S.C. § 115b(b)(2)(C)]	●

²⁸ The acquisition workforce plan is available at <https://acc.dau.mil/acquisitionworkforce>

Acquisition workforce legislative requirements and comments	Our assessment
<p>Comments: DOD's acquisition workforce plan addresses this legislative requirement. DOD's acquisition workforce plan identifies specific recruitment and retention incentives being used across the workforce to attract and retain personnel, including targeted hiring strategies, such as the rehiring of experienced annuitants or the selective hiring of highly qualified experts, the use of retention bonuses and recognition programs, as well as student loan repayment and tuition assistance programs.</p>	
<p>(3) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies that includes any changes in the number of personnel authorized in the acquisition workforce that may be needed to address such gaps and effectively meet the needs of the department [10 U.S.C. § 115b(d)(2)(B); 10 U.S.C. § 115b(b)(2)(D)]</p>	●
<p>Comments: DOD's acquisition workforce plan addresses this legislative requirement. The plan outlines strategies for growing the acquisition workforce through retention, new hiring, and in-sourcing initiatives, which reflect DOD's efforts to address gaps in the numbers of authorized personnel in the workforce and to meet the needs of the department. Specifically, the plan identifies DOD's overall acquisition workforce improvement strategy, which targets the workforce for growth by 20,000 additional personnel by fiscal year 2015 and further indicates how that planned growth is to be allocated across each of the 13 acquisition career fields. Also, noting a significant increase in the demands and complexity of the workload, an increased use of contractors, and a decline in the size of its organic acquisition workforce, officials cited an overarching goal to return the total acquisition workforce to a size above its 1998 level of approximately 146,000 personnel by 2015.</p>	
<p>(4) Specific steps that the department has taken or plans to take to develop appropriate career paths for civilian employees in the acquisition field [10 U.S.C. § 115b(d)(2)(C)]</p>	●
<p>Comments: DOD's acquisition workforce plan addresses this legislative requirement. DOD's acquisition workforce plan identifies a civilian career path and certification framework established based on DAWIA, which sets forth career certification standards and provides career development opportunities by acquisition career field. For example, the plan indicates that the acquisition workforce management framework based on DAWIA assigns certification standards—Level I-Basic, Level II-Intermediate, or Level III-Advanced—based on the complexity and scope of a position's responsibilities and also assigns minimum education, training, and experience requirements needed to perform the acquisition mission. While minimum standards are established, the plan identifies several efforts to augment career certification and career development requirements. Specifically, the plan identifies DOD's initiatives to validate career certification standards via the competency assessments, expand job-specific training—such as the Core Plus concept, which ensures that personnel have access to job-specific training beyond the minimum requirements—and increase experience requirements in several career areas.</p>	
<p>(5) Specific steps that the department has taken or plans to take to implement the requirements of section 1722a of this title with regard to members of the armed forces in the acquisition field [10 U.S.C. § 115b(d)(2)(C)]</p>	●
<p>Comments: DOD's acquisition workforce plan addresses this legislative requirement. DOD's acquisition workforce plan identifies policies and guidance on military career paths, provides military career path models, cites the reservation of acquisition-coded billets for command and senior noncommissioned officer positions and increased promotional opportunities, and reflects efforts and initiatives directed toward improving DOD's contingency contracting capacity. For example, both the Army and the Air Force explicitly identify policies or guidance designed to develop military personnel within the acquisition workforce. In addition, the plan identifies career path models and career paths for officers and enlisted personnel within all three military departments. For example, the Air Force advocates the development of Air Force contracting general officers up to the three-star level to alleviate shortfalls in promotional opportunities for Air Force contracting personnel beyond the rank of colonel.</p>	
<p>Further, the plan indicates that DOD had reserved 84 billets for G/FOs in fiscal year 2009 for the acquisition workforce, including assignments in commands and as program managers. DOD also reported that it had more than 414 senior noncommissioned officers in the acquisition workforce in fiscal year 2009. Lastly, the Army and the Navy identified efforts to increase their contingency contracting capacity.</p>	
<p>(6) An assessment of the critical skills that will be needed in the future within the civilian</p>	Θ

Acquisition workforce legislative requirements and comments	Our assessment
<p>employee workforce by the Department of Defense to support national security requirements and effectively manage the department during the 7-year period following the year in which the plan is submitted [10 U.S.C. § 115b(d)(2)(A); 10 U.S.C. § 115b(b)(1)(A)]</p>	
<p>Comments: DOD's acquisition workforce plan partially addresses this legislative requirement. While the plan provides data on all 13 acquisition career fields, including identifying targeted growth for each career field by 2015, the plan does not explicitly identify critical skills needed by the future workforce for each. Under Secretary of Defense for Acquisition, Technology and Logistics officials have indicated that critical skills and competencies are not treated separately within the Defense Acquisition Workforce Improvement Strategy. These officials noted that competencies are "an observable, measurable set of skills, knowledge, abilities, behaviors and other characteristics" which enable personnel to successfully perform the functions of their occupation. Further, according to these officials, the competency assessments serve as a baseline for understanding the current inventory of skills and those skills needed in the future. Competency assessments are being conducted to update and validate existing competencies for all 13 career fields. To date, an assessment for the contracting career field has been completed, and assessments of the 12 remaining communities are in various stages of progress. Moreover, DOD has identified shortages in other skill areas that have been targeted for recruitment and expanded training. For example, the plan reported that a retention and talent management strategy has been implemented to address shortages in cost estimating, systems engineering, and program management. Further, DOD indicated that its portfolio of executive and leadership courses at the mid and senior grade levels has been expanded. In addition, the contracting and oversight workforce, including the Defense Contract Management Agency and the Defense Contract Audit Agency, has been targeted for growth.</p>	
<p>(7) An assessment of the critical competencies that will be needed in the future within the civilian employee workforce by the Department of Defense to support national security requirements and effectively manage the department during the 7-year period following the year in which the plan is submitted [10 U.S.C. § 115b(d)(2)(A); 10 U.S.C. § 115b(b)(1)(A)]</p>	Θ
<p>Comments: DOD's acquisition workforce plan partially addresses this legislative requirement. While the plan provides data on all 13 acquisition career fields, including identifying targeted growth for each career field by 2015, the plan does not explicitly identify critical competencies needed by the future workforce. Competency assessments are being conducted to update and validate existing competencies for all 13 career fields. To date, an assessment for the contracting community has been completed, and assessments of the 12 remaining career fields are ongoing and in various stages of completion. Moreover, DOD has identified shortages in other areas that have been targeted for recruitment and expanded training. For example, the plan reported that a retention and talent management strategy has been implemented to address shortages in cost estimating, systems engineering, and program management. Further, DOD indicated that its portfolio of executive and leadership courses at the mid and senior grade levels has been expanded. In addition, the contracting and oversight workforce, including the Defense Contract Management Agency and the Defense Contract Audit Agency, has been targeted for growth.</p>	
<p>(8) An assessment of the appropriate mix of military, civilian, and contractor personnel capabilities [10 U.S.C. § 115b(d)(2)(A); 10 U.S.C. § 115b(b)(1)(B)]</p>	Θ
<p>Comments: DOD's acquisition workforce plan partially addresses this legislative requirement. Specifically, the plan provides detailed information about the civilian workforce, identifies specific guidance that is in place for determining the appropriate workforce mix, indicates that initiatives have begun that are aimed at inventorying the use of contractors across all 13 career fields, and details how in-sourcing has been incorporated as a key component of the acquisition workforce growth strategy. For example, the plan reported that under DOD's acquisition workforce growth strategy, 10,000 positions will be in-sourced by 2015. However, the workforce plan does not provide an assessment of the appropriate mix of military, civilian, and contractor personnel across the 13 career fields. In addition, while the plan provides information on military personnel currently serving in the acquisition workforce, it does not identify specific growth targets for military personnel or provide data on the current or future contractor personnel in DOD's total acquisition workforce.</p>	
<p>(9) An assessment of the critical skills of the existing civilian acquisition workforce of the department [10 U.S.C. § 115b(d)(2)(A); 10 U.S.C. § 115b(b)(1)(C)]</p>	Θ

Acquisition workforce legislative requirements and comments	Our assessment
<p>Comments: DOD's acquisition workforce plan partially addresses this legislative requirement. Under Secretary of Defense for Acquisition, Technology and Logistics officials have indicated that critical skills and competencies are not treated separately within the Defense Acquisition Workforce Improvement Strategy. These officials noted that competencies are "an observable, measurable set of skills, knowledge, abilities, behaviors and other characteristics" which enable personnel to successfully perform the functions of their occupation. Further, according to these officials, the competency assessments serve as a baseline for understanding the current inventory of skills and those skills needed in the future. While the plan does not explicitly identify critical skills needed by the existing acquisition workforce and competency assessments are still ongoing for 12 of the 13 career fields, certification levels and certification rates across the 13 career fields and DOD components were reported, reflecting the complexity and scope of position responsibilities and representing competencies and skill sets needed to perform the acquisition mission.</p>	
<p>(10) An assessment of the critical competencies of the existing civilian acquisition workforce of the department [10 U.S.C. § 115b(d)(2)(A); 10 U.S.C. § 115b(b)(1)(C)]</p> <p>Comments: DOD's acquisition workforce plan partially addresses this legislative requirement. While the plan does not explicitly identify critical competencies needed by the existing acquisition workforce and competency assessments are still ongoing for 12 of the 13 career fields, certification levels and certification rates across the 13 career fields and DOD components were reported, reflecting the complexity and scope of position responsibilities and representing competencies and skill sets needed to perform the acquisition mission.</p>	Θ
<p>(11) An assessment of gaps in the existing or projected acquisition workforce of the department that should be addressed to ensure that the department has continued access to the critical skills and competencies [10 U.S.C. § 115b(d)(2)(A); 10 U.S.C. § 115b(b)(1)(D)]</p> <p>Comments: DOD's acquisition workforce plan partially addresses this legislative requirement. Specifically, DOD's acquisition workforce plan identified current workforce size, planned growth targets, projected retirement trends, as well as certification rates, reflecting gaps in size and experience, gaps in training, and gaps in specialized skills and knowledge across the 13 career fields and 4 defense components. For example, the plan details how the targeted growth will be allocated across each of the 13 acquisition career fields. Specifically the contracting and systems planning, research, development, and engineering fields are targeted for the largest allocations of growth at 26 percent and 22 percent, respectively. Further, the plan projected the workforce gains and losses needed to achieve and maintain targeted growth across the civilian workforce through fiscal year 2017 and outlines DOD's AT&L Workforce Lifecycle Model, which identifies and depicts the distribution of experience levels among the members of its acquisition workforce by years-to-retirement eligibility. However, the plan did not explicitly identify critical skills and competencies needed by the acquisition workforce, and competency assessments are still ongoing for 12 of the 13 functional career fields.</p>	Θ
<p>(12) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies that includes specific recruiting and retention goals, especially in areas identified as critical skills and competencies, including the program objectives of the department to be achieved through such goals and the funding needed to achieve such goals [10 U.S.C. § 115b(d)(2)(B); 10 U.S.C. § 115b(b)(2)(A)]</p> <p>Comments: DOD's acquisition workforce plan partially addresses this legislative requirement. DOD's acquisition workforce plan identifies the annual hiring and retention levels needed to reach and sustain targeted growth across each of the 13 acquisition career fields. For example, according to DOD, under its current growth strategy, annual hiring levels for fiscal years 2010 and 2011 must be sustained around 15,000 and 12,500 personnel, respectively, while retention efforts need to ensure losses remain below 8,000 for fiscal year 2010 and 8,500 in fiscal year 2011. DOD's plan also cites a separate supplemental report that is intended to address workforce funding matters. DOD subsequently issued a separate report on September 14, 2010. As the report was issued after the completion of our audit work, we did not have the opportunity to review and assess it.</p>	Θ
<p>(13) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies that includes specific strategies for developing, training, deploying, compensating, and motivating the civilian employee workforce of the department, including the program objectives of the department to be achieved through such strategies and the funding needed to</p>	Θ

Acquisition workforce legislative requirements and comments	Our assessment
<p>implement such strategies [10 U.S.C. § 115b(d)(2)(B); 10 U.S.C. § 115b(b)(2)(B)]</p> <p>Comments: DOD's acquisition workforce plan partially addresses this legislative requirement. DOD's acquisition workforce plan directly links its workforce growth and improvement initiatives to DOD's overall acquisition workforce improvement strategy for rightsizing, reshaping, and rebalancing the defense acquisition workforce that was cited in the Secretary of Defense's April 2009 memorandum. For example, DOD indicated that initiatives are being implemented to recruit interns, midlevel personnel, highly qualified experts, and separating members of the military and veterans into the acquisition workforce. Further, as part of DOD's Defense Acquisition Workforce Certification Improvement Initiative, the plan indicated that as the result of reviews of career field experience and training requirements by functional career area leaders, the experience requirements for the engineering and cost estimating fields have already been increased. Further, the plan cites implementation of longstanding and recently implemented awards in a dedicated appendix. These awards recognize individuals, teams, and organizations across DOD; the military departments; and defense agencies for successes in the field of acquisitions. DOD's plan also cites a separate supplemental report that is intended to address workforce funding matters, which DOD subsequently issued on September 14, 2010. As the report was issued after the completion of our audit work, we did not have the opportunity to review and assess it.</p>	
<p>(14) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies that includes any changes in resources or in the rates or methods of pay for any category of personnel in the acquisition workforce that may be needed to address inequities and ensure that the department has full access to appropriately qualified personnel to address such gaps and meet the needs of the department [10 U.S.C. § 115b(d)(2)(B); 10 U.S.C. § 115b(b)(2)(E)]</p>	Θ
<p>Comments: DOD's acquisition workforce plan partially addresses this legislative requirement. While no specific changes in rates or methods of pay were identified in the acquisition workforce plan, the plan did indicate that DOD was prepared to implement enterprise incentives and pay policies targeting mission-critical functions to ensure competitiveness for attracting and retaining personnel with critical skills. Additionally, the Air Force indicated that as part of its efforts to attract and retain personnel with critical expertise and capabilities, such as science, technology, engineering, and math degrees, to its workforce, the Air Force acquisition community would monitor regional compensation and grade structure and, when appropriate, initiate actions to ensure that employment with the Air Force remains competitive with that of other government agencies.</p>	
<p>(15) A plan for funding needed improvements in the acquisition workforce of the department through the period of the future-years defense program, including the funding programmed for defense acquisition workforce improvements, including a specific identification of funding provided in the Department of Defense Acquisition Workforce Fund established under section 1705 of this title, along with a description of how such funding is being implemented and whether it is being fully used, and a description of any continuing shortfalls in funding available for the acquisition workforce [10 U.S.C. § 115b(d)(2)(D)]</p>	Θ
<p>Comments: DOD's acquisition workforce plan partially addresses this legislative requirement. DOD's plan cites a separate supplemental report that is intended to address workforce funding matters, including funding under the Defense Acquisition Workforce Development Fund and how funding is being implemented. DOD subsequently issued a separate report on September 14, 2010. As the report was issued after the completion of our audit work, we did not have the opportunity to review and assess it. However, our review of the draft funding plan indicates that DOD has identified the sources, amounts, and projected uses of the funds programmed for acquisition workforce improvements through fiscal year 2011, but does not cover the period through the current future-years defense program as required by the legislation.</p>	
<p>(16) A plan of action for developing and reshaping the civilian workforce of the department to address the gaps in critical skills and competencies that includes any legislative changes that may be necessary to achieve its recruiting and retention goals [10 U.S.C. § 115b(d)(2)(B); 10 U.S.C. § 115b(b)(2)(F)]</p>	○
<p>Comments: DOD's acquisition workforce plan does not address this legislative requirement.</p>	

Acquisition workforce legislative requirements and comments	Our assessment
<p>DOD officials noted, however, that a DOD legislative proposal to make adjustments and expand the Expedited Hiring Authority was implemented in the 2010 National Defense Authorization Act for Fiscal Year 2010. These officials noted that no legislative proposals specifically regarding the defense acquisition workforce were submitted by the Administration for fiscal year 2011.</p>	

Source: GAO analysis of DOD data.

Legend: ● = Addressed—workforce plan discussed all aspects of the legislative requirement; Θ = Partially addressed—workforce plan discussed some aspects of the legislative requirement; ○ = Not addressed—workforce plan does not discuss aspects of the legislative requirement.

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